App. F. IX-4

Reserve

193 3.

File No. 301-33

Serial Nos. 1

Previous References

GA 215-30-1
SHA 1-27-112
SHA 90-28-1

Later References

GA 193-33-112
SHA 569-34-F.
a 146-34-1

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

Part B for May '34

SUBJECT.

Revising the Scheme of Commutation of pensions.

(1) Do Comptroller & Auditor General of India's D.O. No. 2571-616 of 17.5.34

Sanction

31/5/34

2677

Serial No.

Extract from the Financial Secretary's orders in file relating to the application of Mr.S.Kuppuswami Iyer Assistant Commissioner on leave for commutation of a portion of his pension to be earned on retirement:-

x x x

Now that the rates of interest have gone down, it may be worthwhile reviving the scheme of Commutation. Previous papers may be put up and the Comptroller's opinion regarding revival obtained.

x x x (Ant) S.S. 14.2.34

S&A 100-19-2 K

The system of Commutation of Pensions was first introduced in December 1919, but owing to rush of applications by pensioners and consequent strain on Revenue Budget, the scheme was suspended in 1920.

S&A 90-20-1 D

Subsequently upon consultation with and advice of the actuary, Mr.King, a new set of tables ~~were~~ was prepared on the model of the Government of India scheme on the basis of 4 3/4% interest and adopted. The scheme was revived on certain conditions in July 1927 restricting the privilege of commutation to pensioners getting not more than Rs.100/- per mensem, and subsequently this was modified and extended to all officers. The maximum amount of 1/4 pension to be commuted was ordered ~~to be~~ to be raised to Rs.50/- whatever may be the amount of pension drawn.

S&A 1-27-2 E

G.Fin.15-30-1 F This scheme, owing to financial depression was again suspended in June 1931.

The question of reviving the scheme of Commutation was raised by the Financial Secretary on 17-5-33 for 1933-34, but the Offg.Dewan minuted then that it might be deferred.

G.Fin 122-32 G.

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

P.T.O.

In view of the money conditions now, the point is whether the scheme may be revived and if so whether the rules now in force and the capitalised value fixed in July 1927 may alone remain or whether they require any revision.

Before taking further action, the Comptroller may be requested to ascertain and report on the following points :-

(1) Whether the scheme of Commutation is now in in force in British India?

(2) in what respects our rules and the British Indian rules differ?

(3) what is the capitalised values adopted there?

(4) what is the financial effect on the Budget during the next 2 years, if the scheme is revived? and

(5) How far the tables now in force require revision?

Subd to Fe: Secy for orders

W 10/2/34

Urgent FC. 2677

J. The comptroller for favour of opinion

S. Chamanlal 2/2

514/34

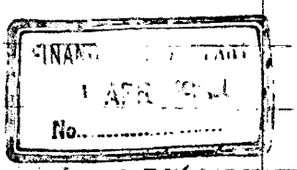
Pens

U-C. 201 Pen

General and Revenue Secretariat | S&R File No. 308 of 193 3 | [App. F. III—2

610/8/2
12/4

Serial No.



Returned with compliments.

Information on the several points raised in the Secretariat Note is furnished below:-

1. The scheme of commutation is in force in British India now.

2. Half the amount of pension may be commuted in British India subject to a residue of R. .20/- per month ordinarily with a higher minimum for civilian and other officers. In Mysore only one-fourth of the pension subject to a limit of Rs.50/- can be commuted. In other respects the rules do not materially differ.

3. A list of capitalised values adopted in British India obtained from the Resident's Treasury is herewith sent. In the latest list issued along with Government of India Notification dated 18th July 1933 the rate of interest has been reduced from 5% to 4½%.

4. As the amount charged to "Commutation of pensions" every year is debited to the Revenue Account in the course of 15 years under 15 (5) commuted value of pensions and as the savings under 15 (2) super-annuation and Retired allowances every year will be more than the yearly debit on account of expenditure due to payment of commuted values, Government will not be put to any loss ultimately in the revenue budget. In view of the prevailing low rates of interest the Capital redemption is also desirable.

5. If the table now in force in British India is adopted by us ~~in the~~ with interest at 4½% the commuted value will be higher. In view of our present borro

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—1

Serial No.

DEWAN'S OFFICE
21 APR. 1934
No. 6621

...ut ... ...t of our commutation table based on ... t ... of 4" ... may remain unchanged.

M. Varadaja Rao
for Comptroller (absent on leave)

Subd. For reasons stated supra, the scheme may be revised from 1st July 1934, the present rates given on page 229 of the M.S.R which are on the basis of 4.3/4% being adopted.

The Comptroller may be instructed to make suitable provision in the next year's Budget for the purpose.

In view of the fact that there is a Scheme of Compassionate gratuity in Mysore under which a minimum amount is payable to the heirs of a deceased pensioner, the risk to Govt by pensioners dying earlier stands reduced to some extent.

W
16/4

H Seey) 16/4/34.

I agree with the Comptroller's note that the Scheme of Commutation may be revised, the present table - which gives slightly less and is therefore more favourable to Govt than the table in British India - may be continued. As the loss to Govt Cash if does not affect our Ways & Means position and the Budget position is unaffected as the amount paid is spread over 15 years. It may be revised immediately and provision made in the next year's Ways & Means Estimate also.

DEWAN'S OFFICE
21 APR. 1934
No.

2677 5

279

Serial No.

6621

I am inclined to agree.
The question was whether sanction of Govt of India should be obtained thereafter, if the Members of Council are also in agreement.

JM
21-4-34

I agree to the proposal. It is likely that there will be a rush of applications in the beginning, but on the whole the result will not, apparently, be unfavourable to Govt.

by
24-4-34

CA (Govt)

26/4

26.4.34.

26/4.

OFFICE OF THE FIRST MEMBER OF 26 APR. 1934 No. 8387

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—5-4-34

For Disposal by Circulation

No. C. ~~280~~ 281

6

of 1933/4

GENERAL AND REVENUE SECRETARIAT

Council Matter

Subject

Revival of the scheme of commutation of pensions.

Circulated to the Members of Council

By Order,

R. Rangachar

27th April 1934.

Chief Secretary to Government.

First Member of Council (Opn recorded)

7044/17/4

Second Member of Council Jpn 28/4/34

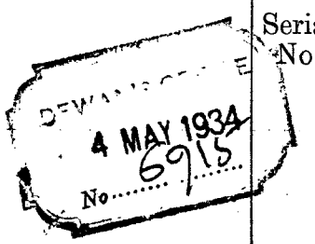
Financial Secretary to Govt.,
with compliments.

30/4/34

30/4/34.

7

Serial No.



Subd. with a D.S.N.

IW
2/5

H. Secy) B 215/34.

M 2/5

B 315/34

M 4/5

Dewan,

Typing Section
G.H. & REV. SECTT

M
4/5

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-

Submitted to His Highness.

These papers relate to the revival of the Scheme of Commutation of Pensions.

This Scheme was first introduced in December 1919 but owing to rush of applications by pensioners and consequent strain on the Revenue Budget, it was suspended in September 1920.

The scheme was revived in July 1927 restricting the privilege to pensioners getting not more than Rs 100/- per mensem, subsequently this was modified and extended to all officers limiting the maximum amount of One-fourth pension to be commuted to Rs 50/- whatever may be the amount of pension. But owing to financial depression the scheme had to be suspended temporarily from 1st July 1931.

The Financial Secretary raised the question of the revival of the scheme in view of the cheap money conditions. The Comptroller who was consulted in the matter, is of opinion that the revival of the scheme will not result in any loss ultimately in the Revenue Budget, and that the tables adopted in Mysore formerly, i.e., till the temporary suspension of the scheme (1st July 1931), may be continued, as they are based on an interest rate of 4¾ % as against 4½ % in British India and are more favourable to Government. There may be a rush of applications in the beginning but this need not matter as our cash position is strong.

The Members of Council who were consulted in the matter, are also agreeable to the revival.

I solicit His Highness's gracious approval to the revival of the scheme.

Mirza M. Ismail

Bangalore,
5th May 1934.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Revival of the scheme of Commutation of Pensions.

576

Order.

~~KRW~~

7/5/34

281

General and Revenue
Secretariat

Revival of the scheme
of Commutation of pension

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*) (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangadhara

Chief Secretary to Government.

Through the Secretary to Government,

.....R.....Department.

8842
10/5

FIRST MEMBER OF COUNCIL.

7474
10/5

SECOND MEMBER OF COUNCIL.

Put up, with Compts.

NOTE.—Contn. sheet

2677
Fl

Serial No.

Draft G.O. sanctioning the revival of the scheme is submitted for orders.

15.5.34.

Fl Secy) 15/5/34.

Dne 15/5

1 To The Comptr & A.G. 16/5/34
— Other Hons & Depts
— Secretariat & Gl
— DC. & Dts.
— Cmpiler Mss.

Fl 7577-616 of 18/5/34

B. Draft G.O. sanctioning the revival of the scheme of Commutation of pension.

NOTE—Contn. Sheet.

File No. of 193 .

General and Revenu
Secretariat

No. F.2-XIV-R.II/33.

GOVERNMENT OF INDIA.

Finance Department.

Simla, the 15th July 1933.

From

W. CHRISTIE ESQ M.C., I.C.S.,
Deputy Secretary to Government of India.

To

ALL PROVINCIAL GOVERNMENTS AND MINOR LOCAL ADMINISTRATIONS.

SUBJECT:- Table of present values for commutation of pensions.

Sir,

In continuation of Mr. Tennant's letter No.F.2-II-/30 dated the 22nd April 1930, on the subject noted above, I am directed to forwarded a copy of the revised table of present values prescribed by the Secretary of State in Council under Rule 7 of the Civil pensions (Commutation) Rules.

I have the honor to be,

Sir,

Your most obedient servant,

(Sd.) W. CRISTIE

Deputy Secretary to the Govt. of India.

" TRUE COPY "

(Sd.)

TREASURY ASSISTANT
THE HON BLE THE RESIDENT'S
Treasury, Bangalore.

COMMUTATION TABLE PRESCRIBED BY THE SECRETARY OF STATE IN COUNCIL

UNDER RULE U OF THE CIVIL PENSIONS (COMMUTATION).

7

Age next birthday.	Number of year's purchase.	Age next birthday.	Number of year's purchase.
20.	18.851	51	13.287
21	18.741	52	13.006
22	18.628	53	12.718
23	18.512	54	12.424
24	18.393	55	12.125
25	18.271	56	11.819
26	18.144	57	11.508
27	18.014	58	11.193
28	17.880	59	10.874
29	17.741	60	10.552
30	17.598	61	10.249
31	17.451	62	9.936
32.	17.299	63	9.623
33	17.142	64	9.311
34	16.980	65	9.002
35	16.814	66	8.693
36	16.641	67	8.388
37	16.464	68	8.085
38	16.280	69	7.795
39	16.091	70	7.489
40	15.895	71	7.196
41	15.693	72	6.911
42	15.486	73	6.629
43	15.271	74	6.353
44	15.049	75	6.085
45	14.820	76	5.822
46	14.582	77	5.568
47	14.339	78	5.322
48	14.087	79	5.084
49	13.828	80	4.854.
50	13.561		

No. F. 2-XIV-R.II/33.

GOVERNMENT OF INDIA.

Finance Department.

Simla, the 18th July 1933.

From

W. CHRISTIE Esq., M.C., I.C.S.,
Deputy Secretary to the Government of India,

To

All Provincial Governments and Minor Local Governments.

SUBJECT:- Table of present values for commutation of pensions.

Sir,

In modification of the orders contained in Mr. Tennant's letter No. F,II-R-II-30 dated the 29th April 1930, I am directed to say that in view of the recent fall in the rates of interest on the rupee borrowing of the Government of India, the Governor General in Council has decided that with effect from 1st August 1933 the accompanying table of present values, which is based on a rate of interest of $4\frac{1}{2}$ per cent per annum and the same mortality rates as were adopted in the case of the existing table, should be used in calculating the commutation values of pensions in the case of pensioners whose domicile at the time of first appointment to Government service was Asiatic.

2. The Secretary of State in Council has prescribed, with effect from the 1st June 1933, a revised table for officers of non-Asiatic domicile.

I have the honor to be,

Sir,

Your most obedient servant,

(Sd.) W. CHRISTIE.

Deputy Secretary to Govt. of India.

C o p y

Age next birthday.	Commutation values expressed as number of years' purchase.	Age next birthday.	Commutation values expressed as number of years' purchase.
18	17.92	57	9.96
19	17.82	58	9.64
20	17.71	59	9.32
21	17.60	60	9.00
22	17.48	61	8.68
23	17.36	62	8.36
24	17.24	63	8.04
25	17.11	64	7.73
26	16.98	65	7.42
27	16.84	66	7.11
28	16.70	67	6.81
29	16.55	68	6.51
30	16.40	69	6.22
31	16.25	70	5.93
32	16.09	71	5.64
33	15.92	72	5.37
34	15.75	73	5.10
35	15.57	74	4.84
36	15.39	75	4.58
37	15.20	76	4.34
38	15.01	77	4.10
39	14.80	78	3.88
40	14.59	79	3.66
41	14.38	80.	3.46
42	14.15	81	3.26
43	13.92	82	3.08
44	13.68	83	2.92
45	13.44	84	2.78
46	13.18	85	2.66
47	12.92	86	2.54
48	12.65	87	2.43
49	12.37	88	2.32
50	12.09	89	2.22
51	12.80	90	2.11
52	11.51	91	2.01
53	11.20	92	1.89
54	10.90	93	1.76
55	10.59	94.	1.59
56	10.27		

'C O P Y'

G.R.S. App. F VI—G 2]

12 copies

SUBJECT .....

.....

.....

Diary No. of letter replied to .....

Section S & A.

File No. 300-33

Serial No. 1

General and Revenue Secretariat

( )

the 193 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 18.5. 193 Y

Signed by M. Rao

Read—

G.O. No. H 9876-925/97 215-30-1 & 30 June 1931 suspending temporarily the scheme of commutation of Pensions.

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Order ~~thereon~~.—No H 7517-616

Government are pleased to revive ~~with effect from~~ the scheme of commutation of Pensions subject to the conditions prescribed in Appendix "L" of the Mysore Service Regulations [Sixth Edn].

~~By Order etc.~~

Rs 2 lakhs for the purpose
in the next
budget

This may be omitted;
as separate orders will issue
in the matter
NW

Even if applications
are sent now
payment can
be made
only after
4/7/34
1575

NW.
15/5/34

To the comptroller to(ort
" Other Heads of Departments
" Secretaries to Govt
" Commissioners of Divs
" Chiefs in Mysore Gazette
Press Delhi.

List of Enclosure

Copied by

Examined by

EDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

---

i:—

Government Order No.FI.2570/G.F.215-37-1 dated 20th June
suspending temporarily the scheme of commutation of pensions.

---

r No. FC 7577-616 Fin. 300. 33.1

Dated Bangalore, the 17th May 1944.

Government are pleased to revive the scheme of commutation
pensions subject to the conditions prescribed in Appendix 'L'
the Mysore Service Regulations (Sixth Edition).

M. Shamanna

For Financial Secretary to Government.

MM

he Comptroller to Government.
" Other Heads of Departments.
" Secretaries to Government.
" Deputy Commissioners of Districts.
" Compiler, Mysore Gazette.
" Press Table.

M.L.L.12.

PROC

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191

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r

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 7577-616—S. & A. 300-33-1, dated 18th May 1934.

Commutation of Pensions.

Revival of the scheme of ——.

READ—

Government Order No. Fl. 9876—G. F. 215-30-1, dated 30th June 1931, suspending temporar the scheme of commutation of pensions.

ORDER No. FL. 7577-616—S. & A. 300-33-1, DATED BANGALORE, THE 18TH MAY 1934.

Government are pleased to revive the Scheme of Commutation of Pensio subject to the conditions prescribed in Appendix 'L' of the Mysore Service Regul tions (Sixth Edition).

S. SHAMANNA,
Secretary to Government,
Financial Departmen

To—The Comptroller to Government.
The other Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette.*
PRESS TABLE.

Exd.—C. K.

W D 2101-GPF-990-29-5-34.